

## **Program B: Loan Operations**

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2003-2004. Objectives may be key or supporting level. The level of the objective appears after the objective number and before the objective text.

Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicators are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year of the budget document. Performance indicators may be key, supporting, or general performance information level. Key level is indicated by a "K" in the "Level" column of the standard performance indicator table. Supporting level is indicated by an "S" in the "Level" column of the standard performance indicator table. General Performance Information indicators appear in tables labeled as General Performance Information.

DEPARTMENT ID: LOUISIANA STUDENT FINANCIAL ASSISTANCE COMMISSION

AGENCY ID: 19-661 OFFICE OF STUDENT FINANCIAL ASSISTANCE

PROGRAM ID: PROGRAM B: LOAN OPERATIONS

1. (KEY) To maintain a minimum reserve ratio that is not less than the minimum federal requirement of .25%.

Strategic Link: This objective ties to OSFA Strategic Plan Objective I.2 in the Loan Operations Program

Louisiana: Vision 2020 Link: Objective 1.8

Children's Budget Link: Not applicable

Other Link(s): Not applicable

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
4740	K	Reserve ratio <sup>1</sup>	0.93%	0.50%	0.79%	0.79%	0.34%	0.34%
4741	K	Reserve fund cash balance (in millions)	\$14.4	\$7.0	\$13.5	\$13.5	\$5.8	\$5.8
4742	K	Loans outstanding (in billions)	\$1.6	\$1.4	\$1.7	\$1.7	\$1.7	\$1.7

<sup>1</sup> Reserve ratio is calculated by dividing reserve fund cash balance by loans outstanding

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## 2. (KEY) To maintain annual default rate of less than 5% of loans in repayment at the end of each fiscal year.

Strategic Link: This objective ties to OSFA Strategic Plan Objective I.1 in the Loan Operations Program

Louisiana: Vision 2020 Link: Objective 1.8

Children's Budget Link: Not applicable

Other Link(s): Not applicable

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
4743	S	Default aversion rate	92%	94%	92%	92%	95%	95%
9711	K	Annual default rate	2.4%	3.2%	3.3%	3.3%	3.5%	3.5%
8403	S	Number of Lender's Request for Assistance (LRA's) accepted	49,359	46,766	49,998	49,998	55,801	55,801
8404	S	Number of Lender's Request for Assistance (LRA's) averted	45,411	44,182	45,998	45,998	53,011	53,011
4750	S	Annual default claims paid (in millions)	\$21.2	\$30.0	\$32.4	\$32.4	\$34.5	\$34.5
4749	S	Loans in repayment at end of prior federal fiscal year (in millions)	\$876.5	\$898.9	\$991.5	\$991.5	\$975.5	\$975.5

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## 3. (KEY) To achieve a cumulative recovery rate on defaulted Federal Family Education Loans of 75% by June 30, 2004.

Strategic Link: This objective is an incremental step toward accomplishing OSFA Strategic Objective II.2 in the Loan Operations Program

Louisiana: Vision 2020 Link: Objective 1.8

Children's Budget Link: Not applicable

Other Link(s): Not applicable

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
13359	K	Cumulative default recovery rate <sup>1</sup>	69.0%	70.7%	73.5%	73.5%	75.0%	75.0%
13360	S	Cumulative defaults recovered (in millions)	\$246.8	\$253.8	\$281.4	\$281.4	\$305.8	\$305.8
13361	S	Cumulative defaulted loans purchased (in millions)	\$358.9	\$358.9	\$382.8	\$382.8	\$407.8	\$407.8

<sup>1</sup> Cumulative default recovery rate is calculated by dividing cumulative recoveries on defaulted loans by cumulative dollars paid to purchase defaulted loans from lenders

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GENERAL PERFORMANCE INFORMATION: OSFA'S SHARE OF TOTAL FEDERAL FAMILY EDUCATIONAL LOAN PROGRAM (FFELP) VOLUME GUARANTEED IN LOUISIANA'S COLLEGES AND UNIVERSITIES						
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
		PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
13853	Total FFELP loan volume from Louisiana's colleges and universities	\$533,001,457	\$544,536,651	\$579,673,568	\$625,368,921	\$627,998,464
13855	Total FFELP loan volume guaranteed by OSFA	\$188,922,468	\$189,214,245	\$214,640,054	\$250,682,215	\$299,749,337
New	Percentage of FFELP loan volume from Louisiana's colleges and universities guaranteed by OSFA	35.4%	34.7%	37.0%	40.1%	47.7%

<sup>1</sup> FFY 1997-98 thru FFY 2000-01 reflects total FFELP loans guaranteed in both public and private colleges and universities in Louisiana. The actual information is compiled by U.S. Department of Education (U.S.D.E.).

<sup>2</sup> FFY 2001-02 data will not be available from U.S.D.E. until March or April of 2003. The numbers reported are estimates.

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GENERAL PERFORMANCE INFORMATION:						
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
		PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
13359	Cumulative default recovery rate	49.3%	56.5%	62.5%	66.0%	70.7%
13360	Cumulative collections - recoveries in millions	\$139	\$170	\$198	\$220	\$254
13361	Cumulative default paid in millions	\$282	\$300	\$316	\$333	\$359
13854	Annual recoveries of defaulted loans in millions	\$20	\$31	\$28	\$22	\$34